Declaration of North Bengal as Tax Free Zone

3556. SHRI TARINI KANTA ROY: Will the Minister of FINANCE be pleased to state:

(a) what are the basic criterion for declaring any area as Tax Free Zone;

(b) whether the Central Government have received any proposal to declare North Bengal as Tax Free Zone; and

(c) if so, what steps have been taken so far on this proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The broad parameters that are considered while declaring a State as a Tax Free Zone are industrial backwardness, per capita income, level of investment, market access, infrastructural backwardness, geographical accessibility, etc.

(b) Yes, Sir.

(c) Area-based tax concessions result in diverting investments from one region to another without any incremental investment. Such concessions have been severely criticized by other States that have not been extended this facility as they result in capital flight. Therefore, proposal to declare North Bengal as a tax free zone is not acceptable.

Illegal orders passed by office of Central Excise Department, Patna

†3557. SHRI MANGANI LAL MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as the post of Commissioner, in the office of Commissioner, Central Excise Department, Patna often remains vacant, during the past ten years, several serious unconstitutional/illegal orders have been passed by the additional/dual charge Commissioners in execution of their statutory obligations and duties.

(b) whether it is a fact that the order issued by such additional/dual-charge Commissioners to dismiss over half a dozen incumbent and penalize

†Original notice of the question was received in Hindi.